



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-5

William K. Phelan, Treasurer
Sears Political Action Committee
3333 Beverly Road BSC: B5-114B
Hoffman Estates, IL 60179

JUL 28 2000

Identification Number: C00038612

Reference: Mid-Year Report (1/1/99-6/30/99)

Dear Mr. Phelan:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A supporting Line 11(a)(i) of your report discloses contributions received through what appears to be a payroll deduction plan. Please amend your report to disclose the amount and frequency of the deduction. 11 CFR §104.8(b) Please refer to the enclosed sample of properly reported payroll deductions.

-Please amend Schedule B supporting Line 23 by providing the office sought (i.e., House, Senate or President) including the state and congressional district for each contribution made. 11 CFR §104.3(b)(3)(ii) and (v)

-Schedule B supporting Line 23 discloses contributions to federal candidates for which no election designation has been provided. Please note that if no designation is included in your report, the contributions will be attributed to the next upcoming election for the recipient candidate. Thus, for future reporting purposes, it is in your committee's interest to designate the appropriate election in order to avoid the appearance of excessive contributions made to federal candidates by your committee.

Any amendment or clarification should be filed with the Federal Election Commission. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Scott Walker
Reports Analyst
Reports Analysis Division

PAYROLL DEDUCTIONS

SCHEDULE A		ITEMIZED RECEIPTS		Use separate schedule for each category of the Detailed Survey Page	PAGE OF
Contributions from Individuals					FOR LINE NUMBER 11(a)(1)
Any information copied from such reports and statements may not be able to be used by any person for the purpose of soliciting contributions or for otherwise purposes, other than using the name and address of any political committee to solicit contributions from such contributors.					
NAME OF COMMITTEE (in full) National Organization PAC 000000001					
A. Full Name, Mailing Address and ZIP Code		Name of Employer		Day (month, day, year)	Amount of Each Receipt (see Form)
Anne Sullivan 21 16th Street City, State ZIP		National Organization, Inc.		payroll deduction	\$90.00
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Occupation Branch Manager		Aggregate Year-to-Date > 1	(\$18 biweekly)
B. Full Name, Mailing Address and ZIP Code		Name of Employer		Day (month, day, year)	Amount of Each Receipt (see Form)
Rodney Jones 883 Hainsbury Road City, State ZIP		National Organization, Inc.		payroll deduction	\$180.00
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Occupation Vice President		Aggregate Year-to-Date > 1	(\$90 biweekly)

Itemize payroll deductions only after they have exceeded \$200 per calendar year from an individual.

Payroll Deductions

Once an individual's deductions aggregate over \$200 in a calendar year, report the total amount deducted from the donor's paycheck during the reporting period on Schedule A. In parentheses indicate the amount that was deducted each pay period, instead of stating a specific date of receipt, write "payroll deduction" under "Date." The other itemized information, including the year-to-date total, must be completed for each donor. 104.8(b).

EXAMPLE: During an election year, a corporate manager authorizes her employer to deduct \$15 per pay period (each pay period is two weeks) for the company's SSF. The SSF, which files FEC reports on a quarterly schedule, includes the manager's first-quarter contributions (\$90 for six pay periods) as "unitemized contributions" on Line 11(a)(ii) in the April quarterly report.

By June 30 (the closing date for the July quarterly report), 13 pay periods have passed, and the manager's aggregate contributions are \$165—still below the \$200 itemization threshold. The manager's second-quarter contributions again are included in "unitemized contributions" in the July report.

By September 30 (the closing date for the October quarterly report), 19 pay periods have passed, and the manager's contributions reach \$285. Now the committee itemizes the total contributions received from the manager during the third quarter (\$90), providing the year-to-date total in the appropriate space. (See Item A in the illustration above.)

IN-KIND CONTRIBUTIONS

SCHEDULE A		ITEMIZED RECEIPTS		Use separate schedule for each category of the Detailed Survey Page	PAGE OF
Contributions from Individuals					FOR LINE NUMBER 11(a)(1)
Any information copied from such reports and statements may not be able to be used by any person for the purpose of soliciting contributions or for otherwise purposes, other than using the name and address of any political committee to solicit contributions from such contributors.					
NAME OF COMMITTEE (in full) National Organization PAC 000000001					
A. Full Name, Mailing Address and ZIP Code		Name of Employer		Day (month, day, year)	Amount of Each Receipt (see Form)
Martin L. Kress 4 Paver Road City, State ZIP		National Organization, Inc.		8/19/84	\$3,999.00 (IN-KIND) (RAFFLE PRIZE)
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Occupation Chairman		Aggregate Year-to-Date > 1	\$3,999.00

SCHEDULE B		ITEMIZED DISBURSEMENTS		Use separate schedule for each category of the Detailed Survey Page	PAGE OF
Operating Expenditures/Other Federal					FOR LINE NUMBER 21(b)
Any information copied from such reports and statements may not be able to be used by any person for the purpose of soliciting contributions or for otherwise purposes, other than using the name and address of any political committee to solicit contributions from such contributors.					
NAME OF COMMITTEE (in full) National Organization PAC 000000001					
A. Full Name, Mailing Address and ZIP Code		Purpose of Disbursement		Day (month, day, year)	Amount of Each Disbursement (see Form)
Martin L. Kress 4 Paver Road City, State ZIP		raffle prize		8/19/84	\$3,999.00 (IN-KIND CONTRIBUTION)
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)					

Itemize in-kind contributions on both Schedules A and B so as not to inflate the cash-on-hand amount.

In-Kind Contributions

When determining whether to itemize an in-kind contribution, follow the same guidelines listed above under "When to Itemize Receipts." See page 8 for information on how to determine the dollar value of an in-kind contribution.

In addition, add the value of the in-kind contribution to the operating expenditures total on Line 21(b) (in order to avoid inflating the cash-on-hand amount). 104.13(a)(2).

If the in-kind contribution must be itemized on Schedule A, then it must also be itemized on a Schedule B for operating expenditures. See the illustration at left.

